

Message Text

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ACTION PM-05

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O R 081325Z JUN 78
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC IMMEDIATE 2767
SECDEF WASHDC IMMEDIATE
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HQS EUCOM VAIHINGEN GE
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C O N F I D E N T I A L SECTION 1 OF 4 THE HAGUE 3144

DEFENSE FOR DSAA/TS, OGC, USDR&E/CPA FROM ODC

E.O. 11652: GDS
TAGS: MASS, NL
SUBJECT: US-NETHERLANDS MOU ON COOPERATION IN DEFENSE R&D
AND PROCUREMENT

REF: A) THE HAGUE 3096 (061620Z JUN 78); B) PHONECON VIOLETTE/
CROSSMAN 7 JUN 78

1. REVISED TEXT ARTICLE I PARA 1 OF MOU DISCUSSED REB B WAS
PRESENTED TO NETHERLANDS DELEGATION AT MORNING MEETING TODAY.
U.S. POSITION WAS CAREFULLY EXPLAINED AND WE BELIEVE FULLY
UNDERSTOOD BY DUTCH SIDE. AFTER LENGTHY CAUCUS BY DUTCH
DELEGATION, THEY ADVISED US THAT THEY WOULD REFER U.S. TEXT
FOR ART I, PARA 1 TO THEIR RESPECTIVE MINISTERS FOR DECISION,
AND ADVISE US, ON FRIDAY 9 JUNE IF POSSIBLE, OF THEIR REPLY.
DUTCH SIDE WAS OBVIOUSLY DISAPPOINTED IN U.S. WORDING, AND MAY
OPT FOR RETURN TO ORIGINAL U.S. TEXT AS PRESENTED ON 6 JUNE
DESPITE THEIR ORIGINAL OBJECTIONS.

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2. THROUGHOUT DISCUSSIONS THIS WEEK, NETHERLANDS DELEGATION
CONTINUALLY EMPHASIZED URGENT NEED TO CONCLUDE NEGOTIATIONS AND
REACH STAFF LEVEL AGREEMENT ON TEXT A EARLIEST POSSIBLE DATE.
DESPITE REPEATED U.S. EMPHASIS THAT REVISIONS TO MOU WOULD MAKE
THIS DIFFICULT, DUTCH WERE INSISTENT THAT NUMEROUS CHANGES
WERE NECESSARY TO CLARIFY TEXT AND TO SATISFY THEIR LEGAL
AND POLITICAL REQUIREMENTS.

3. MEETINGS WERE CONCLUDED WITH AGREEMENT THAT US TEAM SHOULD RETURN TO WASHINGTON WITH REVISED TEXT AND SEEK TO OBTAIN APPROVAL AND AUTHORITY TO INITIAL AGREEMENT IN WASHINGTON AS EARLY AS POSSIBLE NEXT WEEK. US TEAM IS ACCORDINGLY RETURNING TO WASHINGTON, AND WILL BE IN PENTAGON MONDAY MORNING TO ASSIST IN STAFFING TEXT OF MOU. ADM. BINNENDIJK IS ALSO RETURNING TO WASHINGTON THIS WEEKEND AND HAS GIVEN AUTHORITY TO NEGOTIATE AND ACCEPT MINOR CHANGES TO AGREEMENT IN ORDER TO EXPEDITE REACHING SUCCESSFUL CONCLUSION. DUTCH WERE CONVINCED THAT THIS WOULD BE MOST EXPEDITIOUS MEANS FOR REACHING EARLY FINAL AGREEMENT, EVEN THOUGH ARTICLE I, PARA 1, IS NOT YET SETTLED. CROSSMAN WILL REMAIN IN TOUCH WITH ODC THROUGH FRIDAY AND SATURDAY SHOULD DUTCH HAVE FURTHER QUESTIONS, AND WILL RETURN WASHINGTON SUNDAY, JUNE 11, VIA PAN AM 107 ARRIVING DULLES 1435 HOURS.

4. FOLLOWING FINAL THURSDAY MORNING MEETING, US DELEGATION MET WITH DR. VAN EEKELEN, WHO REITERATED HOPE THAT WE WOULD BE ABLE TO CONCLUDE NEGOTIATIONS EARLY NEXT WEEK. HE INDICATED THAT A DECISION BY COB TUESDAY WAS URGENTLY NEEDED. ALTHOUGH DUTCH HAVE BEEN CAREFUL NOT TO OFFICIALLY LINK THIS MOU TO P3C DECISION, THEY HAVE ON SEVERAL OCCASIONS INDICATED PRIVATELY THAT AIRCRAFT SELECTION DECISION IS EXPECTED NEXT WEEK, AND DR. VAN EEKELEN'S INTEREST IN MOU INITIALLING ON TUESDAY WOULD APPEAR TO BE LINKED TO THIS TIMETABLE. US SIDE REITERATED ITS CONFIDENTIAL

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CONCERN THAT COMPLETE RESOLUTION OF TEXT IN THAT LENGTH OF TIME MAY BE DIFFICULT. DR. VAN EEKELEN INDICATED THAT HE UNDERSTOOD SITUATION AND ACCEPTED US ASSURANCES THAT WE WOULD DO OUR BEST TO EXPEDITE FINAL STAFFING IN WASHINGTON.

5. REVISED TEXT AS PROPOSED BY DUTCH DELEGATION, EXCEPT FOR ART I, PARA 1, READS AS FOLLOWS:

PREAMBLE

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS, DULY REPRESENTED BY THEIR MINISTERS OF DEFENSE:

INTENDING TO INCREASE THEIR RESPECTIVE DEFENSE CAPABILITIES THROUGH MORE EFFICIENT COOPERATION IN THE FIELDS OF RESEARCH AND DEVELOPMENT, PRODUCTION AND PROCUREMENT IN ORDER TO:

- MAKE THE MOST COST-EFFECTIVE AND RATIONAL USE OF THE RESOURCES AVAILABLE FOR DEFENSE,
- ENSURE THE WIDEST POSSIBLE USE OF STANDARD OR INTEROPERABLE EQUIPMENT,

-DEVELOP AND MAINTAIN AN ADVANCED INDUSTRIAL AND TECHNOLOGICAL CAPABILITY FOR THE NORTH ATLANTIC ALLIANCE, AND PARTICULARLY WITH RESPECT TO THE PARTIES TO THIS, MEMORANDUM OF UNDERSTANDING (MOU), AND
SEEKING TO IMPROVE THE PRESENT SITUATION AND TO STRENGTHEN THEIR MILITARY CAPABILITY AND ECONOMIC POSITION THROUGH THE FURTHER ACQUISITION OF STANDARD OR INTEROPERABLE EQUIPMENT, AND RECALLING THAT THEY HAD AGREED, AS MEMBERS OF THE ALLIANCE, TO MAXIMUM COOPERATION IN PROCUREMENT AS SET FORTH IN ANNEX A TO NATO DOCUMENT C-M(73)51 (REVISED), DATED 20 AUGUST 1973, HAVE ENTERED INTO THIS MEMORANDUM OF UNDERSTANDING IN ORDER TO ACHIEVE THE ABOVE AIMS.

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DEFENSE FOR DSAA/TS, OGC, USDR&E/CPA FROM ODC

THIS MEMORANDUM OF UNDERSTANDING SETS OUT THE GUIDING PRINCIPLES GOVERNING MUTUAL COOPERATION IN RESEARCH AND DEVELOPMENT, PRODUCTION AND PROCUREMENT OF DEFENSE EQUIPMENT.

THE TWO GOVERNMENTS CONCLUDE THIS MOU TO STRENGTHEN THE NORTH ATLANTIC ALLIANCE. IN SO DOING, THE GOVERNMENTS ARE FULLY AWARE THAT THE INDEPENDENT EUROPEAN PROGRAM GROUP (IEPG) WANTS TO ENHANCE EQUIPMENT COLLABORATION BY MORE COMPREHENSIVE AND SYSTEMATIC ARRANGEMENTS. THEY THEREFORE AGREE THAT IN THE EVENT OF A POSSIBLE CONFLICT BETWEEN AGREEMENTS ENTERED INTO BETWEEN THE IEPG AND THE GOVERNMENT OF THE UNITED STATES, AND THIS MOU, THE PARTIES HERETO WILL CONSULT WITH A VIEW TO AMENDING THIS MOU.

THE TWO GOVERNMENTS FURTHER AGREE THAT THIS MOU SHOULD BE VIEWED
IN THE LARGER CONTEXT OF THE COOPERATION BETWEEN EUROPE AND THE
UNITED STATES WITHIN THE ALLIANCE AND THAT THIS COOPERATION
WILL BE CARRIED OUT PURSUANT TO THE MUTUAL DEFENSE ASSISTANCE
AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
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AND THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS, SIGNED
27 JANUARY 1950.

ARTICLE I

PRINCIPLES GOVERNING RECIPROCAL DEFENSE COOPERATION

1. (TEXT TO BE AGREED ON LATER)

2. THIS MOU IS INTENDED TO COVER AREAS IN WHICH POSSIBLE
BILATERAL COOPERATION COULD BE ACHIEVED IN RESEARCH AND DEVELOP-
MENT, PRODUCTION AND PROCUREMENT OF CONVENTIONAL DEFENSE EQUIP-
MENT, COMPLEMENTING THE WORK OF THE CONFERENCE OF NATIONAL
ARMAMENT DIRECTORS (CNAD) AND THE INDEPENDENT EUROPEAN PROGRAM
GROUP (IEPG).

3. THE TWO GOVERNMENTS WILL, CONSISTENT WITH THEIR RELEVANT LAWS
AND REGULATIONS, GIVE THE FULLEST CONSIDERATION TO ALL REQUESTS
FOR COOPERATIVE R&D, AND TO ALL REQUESTS FOR PRODUCTION AND
PROCUREMENT WHICH ARE INTENDED TO ENHANCE STANDARDICATION AND/OR
INTEROPERABILITY WITHIN THE ALLIANCE.

4. IN THE INTERESTS OF STANDARDIZATION AND THE EFFECTIVE
UTILIZATION OF SCARCE RESOURCES, THE TWO GOVERNMENTS SHALL, TO
THE EXTENT POSSIBLE, ADOPT QUALIFIED DEFENSE ITEMS THAT HAVE
BEEN DEVELOPED OR PRODUCED IN THE OTHER COUNTRY TO MEET THEIR
REQUIREMENTS. DEFENSE ITEMS OR SERVICES ARE THOSE ITEMS OR
SERVICES WHICH MAY BE PROCURED UTILIZING APPROPRIATED FUNDS OF
THE U.S. DEPARTMENT OF DEFENSE OR BUDGETED FUNDS OF THE
NETHERLANDS MINISTRY OF DEFENSE.

5. THE TWO GOVERNMENTS SHALL MUTUALLY DETERMINE THE COUNTING
PROCEDURES TO BE LAID DOWN IN AN ANNEX TO THIS MOU THAT WILL
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APPLY TO ALL DEFENSE ITEMS AND DEFENSE SERVICES PURCHASED BY
THEM DIRECTLY OR THROUGH THEIR RELEVANT INDUSTRIES UNDER THIS MOU.

6. EACH GOVERNMENT SHALL FROM TIME TO TIME NOTIFY THE OTHER GOVERNMENT OF DEFENSE ITEMS THAT MAY NOT BE ACQUIRED FROM OTHER THAN DOMESTIC SOURCES, AS WELL AS THOSE DEFENSE ITEMS THAT MAY BE PARTICULARLY SUITABLE FOR ACQUISITION BY THE OTHER GOVERNMENT.

7. BOTH GOVERNMENTS WILL PROVIDE APPROPRIATE POLICY GUIDANCE AND ADMINISTRATIVE PROCEDURES WITHIN THEIR RESPECTIVE DEFENSE ACQUISITION ORGANIZATIONS TO FACILITATE ACHIEVEMENT OF THE AIMS OF THIS MOU.

8. COMPETITIVE CONTRACTING PROCEDURES SHALL NORMALLY BE USED IN ACQUIRING ITEMS OF DEFENSE EQUIPMENT DEVELOPED OR PRODUCED IN EACH OTHER'S COUNTRY FOR USE BY EITHER COUNTRY'S DEFENSE ESTABLISHMENT.

9. THE DETAILED IMPLEMENTING PROCEDURES, TO BE AGREED, WILL, CONSISTENT WITH AND TO THE EXTENT PERMITTED BY NATIONAL LAWS AND REGULATIONS, INCORPORATE THE FOLLOWING:

A. OFFERS OR PROPOSALS WILL BE EVALUATED WITHOUT APPLYING PRICE DIFFERENTIALS UNDER BUY NATIONAL LAWS AND REGULATIONS AND WITHOUT APPLYING THE COSTS OF IMPORT DUTIES;

B. FULL CONSIDERATION WILL BE GIVEN TO ALL QUALIFIED INDUSTRIAL AND/OR GOVERNMENTAL RESOURCES IN EACH OTHER'S COUNTRY;

C. OFFERS OR PROPOSALS WILL BE REQUIRED TO SATISFY REQUIREMENTS OF THE PURCHASING GOVERNMENT FOR PERFORMANCE, QUALITY DELIVERY AND COSTS.

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DEFENSE FOR DSAA/TS, OGC, USDR&E/CPA FROM ODC

10. BOTH GOVERNMENTS WILL REVIEW ITEMS SUBMITTED AS CANDIDATES FOR RESPECTIVE REQUIREMENTS. THEY WILL INDICATE REQUIREMENTS AND PROPOSED PURCHASES IN A TIMELY FASHION TO ENSURE ADEQUATE TIME FOR THEIR RESPECTIVE INDUSTRIES TO QUALIFY FOR ELIGIBILITY AND SUBMIT A BID OR PROPOSAL.

11. EACH GOVERNMENT WILL ENSURE THAT THE TECHNICAL DATA PACKAGES (TDP'S) MADE AVAILABLE UNDER THIS MOU ARE NOT USED FOR ANY PURPOSE OTHER THAN FOR THE PURPOSE OF BIDDING ON, AND PERFORMING, A PROSPECTIVE DEFENSE CONTRACT WITHOUT THE PRIOR AGREEMENT OF THOSE OWNING OR CONTROLLING PROPRIETARY RIGHTS AND THAT FULL PROTECTION SHALL BE GIVEN TO SUCH PROPRIETARY RIGHTS, OR TO ANY PRIVILEGED, PROTECTED, OR CLASSIFIED DATA AND INFORMATION THEY CONTAIN. IN NO EVENT SHALL THE TDP'S BE TRANSFERRED TO ANY THIRD COUNTRY OR ANY OTHER TRANSFeree WITHOUT THE PRIOR WRITTEN CONSENT OF THE ORIGINATING GOVERNMENT.

12. BOTH GOVERNMENTS WILL USE THEIR BEST EFFORTS TO ASSIST IN NEGOTIATING LICENSES, ROYALTIES AND TECHNICAL INFORMATION
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EXCHANGES WITH THEIR RESPECTIVE INDUSTRIES OR OTHER OWNERS OF SUCH RIGHTS.

13. ARRANGEMENTS AND PROCEDURES WILL, AT THE REQUEST OF THE PURCHASING GOVERNMENT, BE ESTABLISHED CONCERNING FOLLOW-ON LOGISTIC SUPPORT FOR ITEMS OF DEFENSE EQUIPMENT, PURCHASED PURSUANT TO THIS MOU. BOTH GOVERNMENTS WILL MAKE THEIR DEFENSE LOGISTIC SYSTEMS AND RESOURCES AVAILABLE FOR THIS PURPOSE AS REQUIRED AND MUTALLY AGREED.

ARTICLE II

IMPLEMENTING PROCEDURES

1. REPRESENTATIVES OF THE TWO GOVERNMENTS WILL BE APPOINTED TO DETERMINE IN DETAIL THE PROCEDURES FOR IMPLEMENTING THIS MOU AND THE TERMS OF REFERENCE FOR A NETHERLANDS-US COMMITTEE FOR PROCUREMENT COOPERATION.

2. THE UNDER SECRETARY OF DEFENSE FOR RESEARCH AND ENGINEERING, IN COOPERATION WITH THE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, THE ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER, RESERVE AFFAIRS AND LOGISTICS, THE DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY, AND OTHER APPROPRIATE DEPARTMENT OF DEFENSE OFFICIALS, WILL BE THE RESPONSIBLE

AUTHORITY IN THE UNITED STATES GOVERNMENT FOR THE DEVELOPMENT OF IMPLEMENTING PROCEDURES UNDER THIS MOU.

3. THE DIRECTOR GENERAL FOR MATERIEL IN THE MINISTRY OF DEFENSE, IN COOPERATION WITH OTHER APPROPRIATE GOVERNMENT AUTHORITIES, WILL BE THE RESPONSIBLE AUTHORITY OF THE GOVERNMENT OF THE NETHERLANDS FOR THE DEVELOPMENT OF IMPLEMENTING PROCEDURES UNDER THIS MOU.

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ARTICLE III

INDUSTRY PARTICIPATION

1. EACH GOVERNMENT WILL BE RESPONSIBLE FOR CALLING TO THE ATTENTION OF THE RELEVANT INDUSTRIES WITHIN ITS TERRITORY THE BASIC UNDERSTANDING OF THIS MOU, TOGETHER WITH APPROPRIATE IMPLEMENTING GUIDANCE. BOTH GOVERNMENTS WILL TAKE ALL NECESSARY STEPS SO THAT THE INDUSTRIES COMPLY WITH THE REGULATIONS PERTAINING TO SECURITY AND TO SAFEGUARDING CLASSIFIED INFORMATION.

2. IMPLEMENTATION OF THIS MOU WILL INVOLVE FULL INDUSTRIAL PARTICIPATION. ACCORDINGLY, THE GOVERNMENTS WILL ARRANGE TO INFORM THEIR RESPECTIVE PROCUREMENT AND REQUIREMENTS OFFICES CONCERNING THE PRINCIPLES AND OBJECTIVES OF THIS MOU. HOWEVER, PRIMARY RESPONSIBILITY FOR FINDING BUSINESS OPPORTUNITIES IN AREAS OF RESEARCH AND DEVELOPMENT AND PRODUCTION SHALL REST WITH THE INDUSTRIES IN EACH NATION.

ARTICLE IV

SECURITY

1. TO THE EXTENT THAT ANY ITEMS, PLANS, SPECIFICATIONS OR INFORMATION FURNISHED IN CONNECTION WITH THE SPECIFIC IMPLEMENTATION OF THIS MOU ARE CLASSIFIED BY EITHER GOVERNMENT FOR SECURITY PURPOSES, THE OTHER GOVERNMENT SHALL MAINTAIN A SIMILAR CLASSIFICATION AND EMPLOY ALL MEASURES NECESSARY TO PRESERVE SUCH SECURITY EQUIVALENT TO THOSE MEASURES EMPLOYED BY THE CLASSIFYING GOVERNMENT THROUGHOUT THE PERIOD DURING WHICH THE CLASSIFYING GOVERNMENT MAY MAINTAIN SUCH CLASSIFICATIONS.

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DEFENSE FOR DSAA/TS, OGC, USDR&E/CPA FROM ODC

2. THE OPERATING PROCEDURES FOR THE IMPLEMENTATION OF THE
GENERAL SECURITY OF INFORMATION AGREEMENT DATED 8 SEPTEMBER 1960
AND THE INDUSTRIAL SECURITY AGREEMENT DATED 3 APRIL 1969 BETWEEN
THE UNITED STATES DEPARTMENT OF DEFENSE AND THE NETHERLANDS
MINISTRY OF DEFENSE APPLY TO ACTIVITIES UNDER THIS MOU.

ARTICLE V

ADMINISTRATION

1. THE NETHERLANDS-US COMMITTEE FOR PROCUREMENT COOPERATION,
REFERRED TO IN ARTICLE II ABOVE, WILL MEET AS AGREED OR AT THE
REQUEST OF EITHER GOVERNMENT TO REVIEW PROGRESS IN IMPLEMENTING
THE MOU. THEY WILL DISCUSS RESEARCH AND DEVELOPMENT, PRODUCTION
AND PROCUREMENT NEEDS OF EACH NATION AND THE LIKELY AREAS OF
COOPERATION; AGREE TO THE BASIS OF, AND KEEP UNDER REVIEW, THE
FINANCIAL STATEMENT REFERRED TO BELOW; AND CONSIDER ANY OTHER
MATTERS RELEVANT TO THE MOU.

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2. EACH GOVERNMENT WILL DESIGNATE POINTS OF CONTACT AT THE
MINISTRY OF DEFENSE LEVEL AND IN EACH PURCHASING SERVICE/AGENCY
UNDER THE MINISTRIES OF DEFENSE.

3. AN ANNUAL UNITED STATES-NETHERLANDS STATEMENT OF THE CURRENT
BALANCE, AND LONG-TERM TRENDS, OF R&D COOPERATION AND PURCHASES

BETWEEN THE TWO NATIONS WILL BE PREPARED ON A BASIS TO BE MUTUALLY AGREED. SUCH STATEMENT WILL TAKE ACCOUNT OF UNITED STATES-NETHERLANDS PURCHASES OF DEFENSE EQUIPMENT AND SERVICES AND RELATED OFFSET AGREEMENTS AFFECTED IN THE YEARS FROM 1973 ONWARDS AND WILL BE PERIODICALLY REVIEWED.

ARTICLE VI

ANNEXES

ANNEXES NEGOTIATED BY THE RESPONSIBLE OFFICIALS AND APPROVED BY THE APPROPRIATE GOVERNMENT AUTHORITIES WILL BE INCORPORATED IN THIS MOU.

ARTICLE VII

DURATION

1. THIS AGREEMENT WILL REMAIN IN EFFECT FOR A TEN-YEAR PERIOD AND WILL BE EXTENDED FOR SUCCESSIVE FIVE-YEAR PERIODS, UNLESS THE GOVERNMENTS MUTUALLY DECIDE OTHERWISE.

2. IF HOWEVER, EITHER GOVERNMENT CONSIDERS IT NECESSARY FOR COMPELLING NATIONAL REASONS TO TERMINATE ITS PARTICIPATION UNDER THIS MOU BEFORE THE END OF THE TEN-YEAR PERIOD, OR ANY EXTENSION THEREOF, WRITTEN NOTIFICATION OF ITS INTENTION WILL BE GIVEN TO THE OTHER GOVERNMENT SIX MONTHS IN ADVANCE OF THE CONFIDENTIAL

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EFFECTIVE DATE OF TERMINATION. SUCH NOTIFICATION OF INTENT SHALL BECOME A MATTER OF IMMEDIATE CONSULTATION WITH THE OTHER GOVERNMENT TO ENABLE THE GOVERNMENTS FULLY TO EVALUATE THE CONSEQUENCES OF SUCH TERMINATION AND, IN THE SPIRIT OF COOPERATION, TO TAKE SUCH ACTIONS AS NECESSARY TO ALLEVIATE PROBLEMS THAT MAY RESULT FROM THE TERMINATION. IN THIS CONNECTION, ALTHOUGH THE MOU MAY BE TERMINATED BY THE PARTIES, ANY CONTRACT ENTERED INTO CONSISTENT WITH TERMS OF THIS MOU SHALL CONTINUE IN EFFECT, UNLESS THE CONTRACT IS TERMINATED IN ACCORDANCE WITH ITS OWN TERMS.

ARTICLE VIII

IMPLEMENTATION

1. THIS UNDERSTANDING, IN TWO ORIGINAL TEXTS IN THE DUTCH AND ENGLISH LANGUAGES, BOTH TEXTS BEING EQUALLY AUTHENTIC, WILL COME INTO EFFECT ON THE DATE OF THE LAST SIGNATURE.

6. COMPARISON WITH PRIOR US TEXT PRESENTED TO DUTCH ON 6 JUNE BY US DELEGATION WILL INDICATE THAT AT LEAST SOME REVISIONS WERE MADE TO ALMOST ALL PARAGRAPHS IN THE MOU. HOWEVER, CAREFUL

READING OF THOSE CHANGES WILL SHOW THAT ALMOST ALL OF THEM ARE MINOR IN NATURE. IN EACH CASE, US DELEGATION CHALLENGED THE NECESSITY FOR THE CHANGE, BUT DUTCH REMAINED ADAMANT THAT WE SUBMIT THEM FOR US CONSIDERATION.

7. FROM VANTAGE POINT OF US DELEGATION, IT WILL APPEAR THAT ALMOST ALL CHANGES ARE MINOR IN NATURE. MOST SIGNIFICANT REVISIONS, AND REASONS THEREFORE, ARE AS FOLLOWS:

A. PENULTIMATE PARAGRAPH OF PREAMBLE: ADDITION OF REFERENCE TO AGREEMENTS WITH IEPG IS NEEDED BECAUSE OF AGREEMENT REACHED IN IEPG LAST NOVEMBER TO INCLUDE SUCH A STATEMENT IN PREAMBLE OF ALL FUTURE BILATERAL AGREEMENTS WITH NORTH AMERICAN ALLIES.

B. ARTICLE I, PARA 4: DEFINITION OF DEFENSE ARTICLES AND SER-CONFIDENTIAL

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VICES ADDED FOR CLARITY,

C. ARTICLE I, PARA 6: SENSE OF THIS ARTICLE WAS INVERTED AT US SUGGESTION TO CALL ONLY FOR FURNISHING OF LIST OF ITEMS SPECIFICALLY EXCLUDED BY LAW OR POLICY FROM CONSIDERATION FOR WAIVERS UNDER MOU. IT WAS FELT THIS WOULD BE MORE USEFUL, LESS SUBJECT TO MISUNDERSTANDING, AND EASIER TO COMPILE.

D. ARTICLE II, PARA 1 - DELETION OF SENTENCE MAKING IMPLEMENTING PROCEDURES INTEGRAL PART OF MOU, IN ORDER TO SIMPLIFY PROCESS OF DEVELOPING AND USING THE PROCEDURES.

E. CHANGE IN SEQUENCE OF ARTICLES V, VI AND VII FOR MORE LOGICAL ORDER.

8. RECOMMEND COPIES OF REVISED TEXT, PARA 5 ABOVE, BE CIRCULATED TO ALL CONCERNED IMMEDIATELY UPON RECEIPT, AND THAT A MEETING OF REPRESENTATIVES OF ALL DOD COORDINATING OFFICES BE ARRANGED FOR 0900 HOURS MONDAY, 12 JUNE, OR AS SOON THEREAFTER AS POSSIBLE, TO REVIEW TEXT AND IDENTIFY ANY PROBLEM AREAS FROM US SIDE.

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